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**STANDING COMMITTEE ON
FOOD, CIVIL SUPPLIES AND
PUBLIC DISTRIBUTION
(1996-97)**

ELEVENTH LOK SABHA

*[Action Taken Report on Second Report of the Committee on
Demands for Grants (1996-97) of the Ministry of Civil
Supplies, Consumer Affairs and Public Distribution]*

FOURTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1997/Phalguna, 1918 (Saka)

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FOURTH REPORT

STANDING COMMITTEE ON FOOD, CIVIL
SUPPLIES AND PUBLIC DISTRIBUTION
(1996-97)

(ELEVENTH LOK SABHA)

[Action taken by the Government on the Recommendations contained in the Second Report of the Standing Committee on Food, Civil Supplies and Public Distribution on Demands for Grants (1996-97) of Ministry of Civil Supplies, Consumer Affairs and Public Distribution]

Presented to Lok Sabha on **2 / MAR** 1997

Laid in Rajya Sabha on **2** / MAR 1997



LOK SABHA SECRETARIAT
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COMPOSITION OF THE STANDING COMMITTEE ON
FOOD, CIVIL SUPPLIES & PUBLIC DISTRIBUTION
(1996-97)

Shri R.L. Bhatia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Shyam Bihari Misra
3. Shri R.C. Veerappa
4. Shri Gangaram Koli
5. Shri Raj Keshar Singh
6. Shri Nakli Singh
7. Shri Bachi Singh Rawat
8. Dr. Amrit Lal Bharati
9. Shri Chattar Singh
10. Shri Manharan Lal Pandey
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12. Shri Chhitubhai D. Gamit
13. Shri Manikrao H. Gavit
14. Shri Nivritti Sherkar
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23. Shri D.S.A. Shiva Prakasam
24. Smt. T. Sharda

25. Shri Shivaji Kambli
26. Shri Ramashray Prasad Singh
27. Shri Ghanshyam Chand Kharwar
28. Shri Brahmanand Mandal
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30. Shri Rajkumar Wanglcha

Rajya Sabha

31. Shri Onward L. Nongtdu
32. Shri Ghufuran Azam
33. Shri Moolchand Meena
34. Shri Venod Sharma
35. Shri K.M. Khan
36. Prof. Vijay Kumar Malhotra
37. Shri Dawa Lama
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39. Dr. Ramendra Kumar Yadav Ravi
40. Shri Joyanta Roy
41. Shri Tara Charan Majumdar
- *42. Shri Ram Ratan Ram
- **43. Shri Manohar Kant Dhyani

SECRETARIAT

Shri S.N. Mishra	—	<i>Additional Secretary</i>
Smt. Roli Srivastava	—	<i>Joint Secretary</i>
Shri Krishan Lal	—	<i>Deputy Secretary</i>
Shri R.S. Kambo	—	<i>Under Secretary</i>
Shri O.P. Arora	—	<i>Assistant Director</i>

* Nominated to the Committee w.e.f. 29.08.1996.

** Nominated to the Committee w.e.f. 13.12.1996.

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Civil Supplies and Public Distribution (1996-97) having been authorised by the Committee to submit the Report on their behalf, present this Fourth Report on Action Taken by the Government on the Recommendations/Observations contained in the Second Report of the Committee (Eleventh Lok Sabha) on Demands for Grants (1996-97) of the Ministry of Civil Supplies, Consumer Affairs and Public Distribution.

2. The Second Report was presented to Lok Sabha/Laid in Rajya Sabha on 9th September, 1996. The Government furnished their replies indicating action taken on the recommendations contained in the Report on 30th January, 1997. The Draft Action Taken Report was considered and adopted by the Standing Committee on Food, Civil Supplies and Public Distribution (1996-97) at their sitting held on 17th March, 1997.

3. An analysis of the action taken by the Government on recommendations contained in the Second Report of the Standing Committee on Food, Civil Supplies and Public Distribution (Eleventh Lok Sabha) is given in Appendix II.

NEW DELHI;
March 17, 1997
Phalgun 26, 1918 (Saka)

R. L. BHATIA,
Chairman,
Standing Committee on Food, Civil
Supplies and Public Distribution.

CHAPTER I

REPORT

1.1 This Report of the Standing Committee on Food, Civil Supplies and Public Distribution deals with the Action Taken by the Government on the recommendations contained in their Second Report (Eleventh Lok Sabha) on Demands for Grants (1996-97) of Ministry of Civil Supplies, Consumer Affairs and Public Distribution.

1.2 The Report was presented to Lok Sabha/Laid on the Table of Rajya Sabha on 9th September, 1996. It contained 16 Observations/Recommendations.

1.3 Action Taken Notes in respect of all the 16 Observations/Recommendations contained in the report have been received. These have been categorised as follows :

- (i) Recommendations/Observations which have been accepted by the Government.

Para Nos. 2.9, 2.18, 2.28, 2.35, 2.43, 5.9, 5.10, 5.12 and 6.3.

(Chapter II, Total = 9)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply.

Para No. 4.7

(Chapter III, Total = 1)

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee.

Para Nos. 2.7, 2.8, 2.19, 2.38 and 5.11.

(Chapter IV, Total = 5)

- (iv) Recommendations/Observations in respect of which final reply of the Government is still awaited.

Para No. 3.12

(Chapter V, Total = 1)

1.4 The Committee need hardly emphasise that utmost importance should be given to the implementation of recommendations accepted by the Government. In cases where it is not possible for the Government to implement the recommendations in their letter and spirit for any reasons, the matter should be reported to the Committee in time with reasons for non-implementation.

1.5 The Committee desire that final reply in respect of the recommendation contained in Chapter V of the Report for which only interim reply has been given should be furnished to the Committee expeditiously.

1.6 The Committee will now deal with action taken by the Government on some of the recommendations :—

Diversion of Foodgrains from Fair Price Shops

(Recommendation No. 2.7)

1.7 Emphasising the need to conduct more sittings of the Central PDS Advisory Council so as to ensure closer coordination between centre and State, the Committee had observed as follows :—

“The diversion of foodgrains from fair price shops to open market and the nexus between fair price shops dealers and blackmarketeers is rampant in various parts of the country. Though the matters like illegal hoarding and diversion of foodgrains from fair price shops into black market is essentially a matter pertaining to the State Government, nevertheless, the role of Central Government cannot be over looked. The Central PDS Advisory Council constituted for purpose of close coordination between Centre and State Governments for proper implementation of PDS at present meets only twice a year. The Committee, recommended that meetings of Central PDS Advisory Council should be held more frequently for discussing all the problems that arise out of non-availability of foodgrains and the diversion to black market *etc.* and effective measures be taken to prevent such menace.”

1.8 The Ministry in their Action Taken reply have stated :—

For the successful implementation of PDS both the Central Government and State Governments are responsible. The Central Government is responsible for procuring the commodities and making them available to the States. The States are responsible for subsequent distribution of these commodities from the Central agencies to the ultimate consumers through the network of fair price shops. The

Central Government has been from time to time impressing upon the State Governments/UT Administrations the need for strict control and to strengthen PDS by improving infrastructural facilities, the need to set up Vigilance Committees at District/Block/Village levels to ensure delivery of PDS items to the ultimate consumer.

State Govts. have set up grievance machinery to look after the complaints received by them. As and when Govt. of India receives any complaint/report, the same is also referred to State Governments for proper investigations.

The Advisory Council on PDS at Central level is being reconstituted to make it more purposeful by including newly elected Members of Parliament, Consumer Activists, noted economists and a representative of Trade Union as recommended by the Review Committee of the International Labour Conference. Besides, the implementation of PDS is also reviewed at the level of States/UTs Food and Civil Supplies Ministers in conferences held from time to time. One such conference was held on 7th August, 1996 at Vigyan Bhavan, in which the restructuring of PDS with focus on the poor and related matters was discussed. Implementation of PDS is also reviewed by Senior Officers of the Ministry during their tours to the various States/UTs. Meetings of State Food & Civil Supplies Secretaries are also held to review the working of the PDS. Reports/complaints received from VIPs including MPs, MLAs, Associations/individuals and Government Organisations/Agencies like Intelligence Bureau are also followed up.

1.9 The Committee observed that administration of Public Distribution System is a joint responsibility of Central Government and State/UTs Administration. The Committee are of the opinion that for smoother and harmonious functioning of Public Distribution System, the distribution network of the system needs to be toned up. The Committee are happy to note that Advisory Council on PDS at Central level is being reconstituted. The Committee recommend that Central Government should impress upon the State Governments/UTs the need to take such an exercise at State level also. The Committee also appreciate that steps are being taken to follow up the action on reports/complaints received in connection with malpractices concerning Public Distribution System. The Committee would like the Government to monitor the position closely and apprise the Committee quarterly about the action taken thereon. The Government should conduct frequent sittings of Central PDS Advisory Council for better co-ordination between the Central and the State/UTs Governments.

Constitution of Statutory Vigilance Agency at the Central Level

(Recommendation No. 2.8)

1.10 In order to prevent cases of diversion, illegal hoarding and black marketing of PDS commodities, the Committee had observed as follows :—

“A comprehensive study should be carried out to know the extent of diversion of PDS commodities from FPS to the open market throughout the country and a Statutory Vigilance Agency be constituted at the Central level for detecting and preventing cases of diversion, illegal hoarding and black marketing of PDS commodities. Stringent and deterrent steps should be take to punish the guilty. The Committee also recommend that Central Government should issue directions to the State Government for effective implementation of various Acts like Essential Commodities Act, 1955 etc. and also monitor the progress made by the States thereunder.”

1.11 The Ministry in their Action Taken reply have stated :—

“Action for carrying out a comprehensive Study to know the extent of diversion of the PDS Commodities from FPS to open market throughout the country is under consideration of the Ministry. However, the Ministry of Petroleum and Natural Gas has already got a study conducted by Tata Economic Consultancy Services (TECS) regarding diversion of Kerosene.

This Ministry has been issuing directions to the State Governments from time to time for effective implementation of various Acts like Essential Commodities Act, 1955 etc. Further, the progress made by the States in the action taken under these Acts is also being monitored on monthly basis.”

1.12 The Committee appreciate that Government have proposed to carry out a comprehensive study in order to determine the extent of diversion/pilferage of PDS commodities. The Committee desire that they may be apprised of the outcome of this study. The necessity of constituting a Statutory Vigilance Agency to detect and prevent cases of diversion, illegal hoarding and blackmarketing may also be taken into consideration for running the PDS. The Committee also desire that the outcome of the study conducted by Tata Economic Consultancy Services (TECS) in regard to diversion of Kerosene, a

PDS commodity and follow-up action, if any, taken by the Government may be communicated to the Committee.

Financial Assistance to States/UTs for Construction of Godowns

(Recommendation No. 2.19)

1.13 Expressing their concern over the non-fixation of targets for construction of godowns, the Committee recommended as follows :—

“Proposals from the various States/UTs for creation of additional storage facilities are pending with the Central Government for want of adequate funds, which is reflected in the poor achievement of 125422 MTs of storage capacity against the total requirement of 413400 MTs. The Programme Evaluation Organisation (PEO) of Planning Commission which has conducted a study on RPDS including the programme of storage/construction of godowns had also felt that storage facilities at block level are inadequate and dependency on hired godowns was increasing instead of constructing own godowns in Government Sector etc. The Committee are, therefore, of the view that the Government should construct their own godowns and if need be, godowns may be hired on long term basis and more funds should be made available for construction of godowns within the stipulated period by removing budgetary constraints”.

1.14 The Ministry in their Action Taken reply have stated :—

“While formulating the Annual Plan 1996-97 Planning Commission was accordingly approached to provide enhanced allocation to the tune of Rs. 15 crores under the scheme but due to budgetary constraints this was not agreed to. It may be mentioned that during 1996-97 the budget estimates were kept at the level of last year, i.e., 1995-96 as per direction of the Finance Ministry and a budget provision of Rs. 7.55 crores only could be provided under the scheme.

However, for the 9th Five Year Plan and Annual Plan 1997-98 Planning Commission is being pursued to provide suitable outlay for the scheme so that the targetted capacity of 4,30, 400 MT could be achieved during the 9th Five Year Plan.”

1.15 The Committee are unhappy to note that Planning Commission had drastically reduced the plan allocation for construction of storage godowns. Whereas the Ministry had suggested a plan allocation of Rs. 15 crores in the Annual Plan 1996-97, the

Planning Commission has reduced it and a Budgetary provision of only Rs. 7.55 crores was provided for construction of godowns. The Committee are unable to understand the rationale of the Planning Commission in drastically curtailing the year-marked amount, when it is the policy of the Government to make foodgrains available to consumers at an affordable price and that too into the farflung, inaccessible and hilly areas (RPDS districts). The Committee are of the view that with such a meagre plan allocation, the Government will not be able to run the PDS smoothly and efficiently. The Committee, therefore, desire that financial constraints should not come in the way of ameliorating the conditions of consumers especially those living below poverty line and again recommend that more sufficient funds should be made available by the Planning Commission for construction of godowns etc.

Allocation of Kerosene under PDS

(Recommendation No. 2.38)

1.16 Concerned over Inter-State disparities in the allocation of Kerosene among States/UTs, the Committee had observed as follows :—

“There has been wide disparities in respect of quantum of allocation of kerosene amongst various State Governments/UTs. The Committee is aghast to find that some States/UTs which are smaller are getting large quantum of kerosene disproportionate to their population level, whereas, certain bigger States are getting very less quantum of kerosene far below the national average. The Committee feel that the present allocation which is made on historical basis, is unrealistic and therefore, does not reflect the changing needs/demands of the States/UTs and recommend that suitable guidelines should be formulated for rational and equitable allocation of kerosene among States/UTs and to review the allocation periodically keeping in view the change in population levels and other factors.”

1.17. The Ministry in their Action Taken reply have stated :—

“SKO is an allocated product and allocation is being made to the States/Union territories on historical basis based on the past consumption. Almost 40% of the SKO is imported. Till the year 1992-93, no increases were given because of the high subsidies

involved, lack of foreign exchange and shortages due to the Gulf Crisis. However, with effect from 1993-94 onwards, a 3% increase has been given in the annual allocation to all the States/Union Territories based on the principle that a higher growth has to be given to the States which are below the national average and vice-versa. However, on repeated requests from the State Government for increase in the allocation and to decrease disparity between the States, a more practical solution has been evolved for the year 1997-98. For the year 1997-98, the principle followed is the same as in the previous year. However, when calculating the increase, the disparity between the highest State and the concerned State has been taken into account to reduce the gap. It is expected that in a short time, the wide disparities of allocation among the States would be considerably reduced."

1.18 The Committee are not satisfied with the measures taken by the Government to reduce the inter-State disparity of allocation of kerosene to States/UTs. Although the Government have effected a 3% increase over the annual allocation to States/UTs based on the principle that higher growth has to be given to the States which are below the national average and vice-versa. In calculating the increase, reliance has been placed on the disparity between the highest State and concern State. In doing so, the Government have completely lost sight of the recommendations of the Committee for formulating a suitable guidelines for allocating kerosene so as to effect a rationale and equitable allocation amongst States and UTs. Although the Government have tried to bridge the yawning gap of allocation among the States and UTs, the principle of historical perspective has been retained. The Committee are of the opinion that a more reasonable and equitable distribution ought to be based on population and, therefore, reiterate their earlier recommendation that suitable guidelines should be framed for allocation of kerosene amongst States and UTs.

National Consumer Disputes Redressal Commission

(Recommendation No. 5.11)

1.19 Emphasizing the need for increasing the benches of NCDRC in order to reduce the pendency of the cases in the courts, the Committee recommended as follows :—

"Due to increased awareness among the consumers, the number of cases filed in the National Consumer Dispute Redressal

Commission (NCDRC) have increased and as now 2600 cases are pending for disposal. The Committee fully agree that there is a need to increase the benches of the National Consumer Disputes Redressal Commission (NCDRC). To reduce the pendency of the cases in the courts, more regional sittings should be planned to dispose of the cases of the regions."

1.20 The Ministry in their Action Taken reply have stated :—

"The observations of the Committee has been brought to the notice of the President, National Commission (NCDRC). He has been requested to plan for more regional sittings and also to suggest other measures for reducing the pendency in cases."

1.21 The Committee note with satisfaction that the Government have accepted the recommendation of the Committee in principle and plan to conduct more regional sittings in order to reduce pendency position in National Consumer Disputes Redressal Commission. The Committee would like to emphasise that such regional sittings should be held in areas other than metropolitan cities and within the stipulated Budgetary Grants. The National Consumer Disputes Redressal Commission may be impressed upon to hold these regional meetings especially in rural, farflung, hilly and inaccessible remote areas. The Government may also explore other measures to reduce the arrears in Consumer Forums.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 2.9)

The Committee note with satisfaction that all States/UTs reportedly set up Vigilance Committees comprising local people at the fair price shops and other levels. The Committee also recommend that Government should also take suitable steps for associating Panchayats and Nagar Palikas at village/block level and Municipalities for effective monitoring of implementation of PDS schemes.

Reply of the Government

The observations of the Committee have been noted. State Governments have been requested to take suitable steps for associating Panchayats, Nagar Palikas and Municipalities for effectively monitoring the PDS system.

The State Govts. have already been requested to associate Panchayats with fair price shops level Vigilance Committees and most of the State Govts. have also taken action on this. However, the recommendations of the Standing Committee on Food, Civil Supplies & Public Distribution System (1996-97) have been brought to the notice of the State Govts./UT Administrations for associating Panchayats and Nagar Palikas at village level/block level and Municipalities for effective monitoring of implementation of PDS schemes.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/96-P&C]

Comments of the Committee

The Committee may be apprised of the action taken by the State Governments/UTs Administration for effective monitoring of implementation of PDS schemes.

Recommendation (Para No. 2.18)

The Committee noted with serious concern that no physical targets in terms of storage capacity has been fixed and funds released to the States and UTs for construction of godowns. Though the Committee in their Tenth Report (10th) had already recommended that targets should be fixed in terms of storage capacity to be created in a financial year and also achieved, which was again reiterated by the Committee in their Fourteenth Report (10th LS) no action has been taken by the Government. The Committee again reiterates their earlier recommendation that targets should be fixed in terms of storage capacity to be created in a financial year and also achieved. The Ministry should also identify areas which are in the utmost need of storage capacity and direct the States/UTs to undertake construction of godowns in those areas on priority basis.

Reply of the Government

The godowns are sanctioned on the basis of actual requirement of the area. The year-wise details given below indicate the No. of godowns, amount sanctioned and the capacity to be created during the year 1991-92 to 1995-96.

Year	No. of Godowns	Amount (in lakh Rs.)	Capacity (in MTs)
1991-92	2	38.50	1500
1992-93	143	795.35	46500
1993-94	43	482.00	23850
1994-95	61	550.00	27100
1995-96	58	755.00	26492

It may be observed from the above that during the year 1992-93 a sum of Rs. 795.35 lakhs have been sanctioned for 143 godowns for construction of 143 godowns with a capacity of 46500 MT, while during 1994-95 a sum of Rs. 550 lakhs was sanctioned for construction of 61 godowns with a capacity of 27100 MTs. Again during the year 1995-96 a sum of Rs. 755 lakhs was sanctioned for construction of 58 godowns with a capacity of 26492 MTs. Thus it may be seen that there is no correlation between the amount sanctioned and the capacity to be created.

2. However, the State Governments/UT Administrations have been requested to provide for storage capacity for at least 2-3 months at the Tehsil level/Block level in the identified RPDS areas.

Accordingly the State Governments have proposed to create additional storage capacity to the tune of 413400 MTs in the RPDS areas in 1775 blocks. Keeping these parameters in view, the State Governments/UT Administrations prepare schemes for creation of additional storage capacities and send them on to the Ministry for release of financial assistance under the Centrally Sponsored Scheme. The Scheme is restricted to the RPDS areas which included specific areas identified, such as Drought Prone Area Programme (DPAP) blocks, Integrated Tribal Development Project (ITDP) blocks, Desert Development Programme (DDP) blocks and Designated Hill Areas (DHA) blocks.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/96-P&C, dated 30-1-1997]

Recommendation (Para No. 2.28)

The Committee understand that the mobile vans are pressed into service to cater to the needs of RPDS blocks. At present there are 1775 RPDS Blocks and another 1431 blocks are to be added in the near future. However, the number of vans sanctioned is dwindling fast. The evaluation of scheme has revealed that mobile fair price shops are inadequate and 20% of vans were reported to be non-functional. The Committee, therefore, recommend that more vans should be made available to the States/UTs by removing budgetary constraint.

Reply of the Government

Similar observations were made by the Standing Committee while examining the Demand for Grants for 1995-96. While formulating the Annual Plan 1996-97, Planning Commission was accordingly approached to provide enhanced allocation to the tune of Rs. 15 crores under the scheme but due to budgetary constraints this was not agreed to. It may be mentioned that during 1996-97 the budget estimates were kept at the level of last year, i.e., 1995-96 as per direction of the Finance Ministry and a budget provision of Rs. 6.60 crores only could be provided under the scheme. However, for the 9th Five Year Plan and Annual Plan 1997-98, Planning Commission is being pursued to provide suitable outlays for the schemes so that depending upon funds

that may be provided under the scheme, replacement of old/obsolete vehicles may also be taken up.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/19-P&C, dated 30-1-1997]

Recommendation (Para No. 2.35)

The Committee note that as much as Rs. 20 lakhs were provided for the Plan Scheme relating to Intelligence, Enforcement and Man-Power Training for Public Distribution System but the actual utilisation of funds were just Rs. 3.64 lakhs. The Committee were of the opinion that funds for such an important scheme should have been fully utilised.

Reply of the Government

The observations of the Committee have been noted. State Governments are being persuaded to furnish necessary documents for making balance payments due for 1994-95 and 1995-96 and are also being asked to furnish the proposal for organising new course during the financial year 1996-97. Payment of balance amount of Rs. 4.55 lakhs is also being made to IIM Bangalore for the study conducted by it. It is hoped that during the current financial year the entire amount will be utilised.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/19-P&C, dated 30-1-1997]

Recommendation (Para No. 2.43)

The Committee note that off-take of imported edible oil by States and UTs is not met fully. The Committee recommend that causes of less off-take be found out and a review of the actual need of the States/UTs be made out of the data and performance of the previous year figures. Only after microscopic study of the need of States/UTs, the quantity of import of edible oils be fixed so that at one hand the need of the vulnerable section of the society be met and at the same time valuable foreign exchange be saved.

Reply of the Government

As observed by the Committee, low pace of lifting of edible oil allocated to the States/UTs for PDS has also been a matter of concern of the Government. Requirement of edible oil for PDS can be best assessed by the State Governments and UT Administrations. This Ministry, therefore, while asking for the demands of edible oil from the States/UTs always exhorts them to have a pragmatic approach in assessing their demands of edible oil and intimate this Ministry their

realistic and genuine demands only so that a better planning for import and distribution of edible oil under PDS could be achieved. Nevertheless, the Government while deciding the quantity of edible oil to be imported for PDS takes into consideration all the relevant factors, viz. *inter-se* requirement of the States/UTs, not availability of edible oils in the country from indigenous sources, prospects of the ensuing/future crops of oilseeds in the country, prices of edible oils in domestic as well as international markets, pace of lifting of oil previously allocated to the States/UTs etc.

For example, the States/UTs had placed a total demand of over 4.00 lakh MTs of edible oil for allocation under PDS for the period from February-October, 1996. This demand when considered taking all the relevant factors into account was found exaggerated and the Government finally decided to import and allocate a total quantity of 2 lakh MTs of RBD palmolein only during the aforesaid period. Lifting position of the allocations made for February, 96 onwards has been reviewed constantly and the States/UTs with slow pace of lifting requested repeatedly to speed of off-take. As a result, lifting has increased to 72% of allocations made to States/UTs during February-August, 1996.

The stock of oil left unlifted by a State/UT is utilised in meeting the allocations of the other States/UTs during the subsequent months and such a stock is disposed of otherwise only when there is absolutely no demand for the same or it has turned off-specification *i.e.* not fit for direct human consumption.

The Government will continue the above procedure of assessing the requirement of edible oil for PDS realistically while deciding the quantity for import in future also.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/96-P&C, dated 30-1-1997]

Recommendation (Para No. 5.9)

The Committee appreciate that one time enhanced allocation of Rs. 61 crores over and above, the budgetary support for consumer movement has been agreed to by the Planning Commission for undertaking consumer protection activities. Though funds were made available to them, DAVP could not utilise the funds for publicity work. The Committee are of the view that funds allotted to them for publicity measures should have been fully utilised and a proper monitoring

mechanism be evolved to ensure optimum utilisation. The Committee are of the view that consumer movement in the country has not picked up in the right direction.

Reply of the Government

The enhanced allocation of Rs. 61 crores was approved by Planning Commission for the scheme of one-time-grant to the States/UTs for strengthening the infrastructure of consumer courts. It has been linked with publicity works through DAVP in para 5.9. It is to clarify that during the year an allocation of Rs. one crores have been granted for publicity items. Due to the delay in the finalisation of Demand for Grant this year all the publicity programmes were affected. However, now regular meetings are being held with the representatives of Ministry of I & B, DAVP and others to utilise the allocated budget in time. The publicity items being undertaken is given in Annexure-I.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/19-P&C, dated 30-1-1997]

Recommendation (Para No. 5.10)

As consumer protection is a promotional and continuous programme and the success of the programme of consumer protection hinges mainly on consumer awareness, the Committee strongly feel that the main thrust should be on consumer awareness programmes and to intensify the publicity programmes to spread the awareness among all and especially for the rural poor, tribal and illiterate people.

Reply of the Government

The publicity measures are being undertaken is given in Annexure-I. The usual publicity programmes are mainly meant for the common masses including consumers at grass-root level. The Ministry has developed in collaboration with the National Literacy Mission of the Department of Education, the Ministry has arranged the publication of 8 booklets in Hindi on various aspects of Consumer Protection so that the masses at grass-root level are acquainted with the subject. These include awareness about the payment of correct price, awareness about deficiency of public utility services, filing of complaint against sub-standard goods and services in the consumer courts, do not compromise on quality, awareness about adulteration and spurious drugs and necessary tips to the consumers etc. The copies of the books are being distributed. This measure is meant for studying the consumer at the grass-root level through the trained teachers under National Literacy Mission.

PUBLICITY MEASURES TAKEN DURING, 1996-97

(i) In collaboration with the National Literacy Mission of the Department of Education the Ministry has arranged the publication of 8 booklets in Hindi on various aspects of Consumer Protection.

These include awareness about the payment of correct price, awareness about deficiency of public utility services, filing of complaint against sub-standard goods and services in the consumer courts, do not compromise on quality, awareness about adulteration and spurious drugs and necessary tips to the consumers etc. The copies of the books will be available for distribution by the end of November, 1996. This measure is meant for studying the consumer at the grass-root level through the trained teachers under National Literacy Mission.

(ii) The Ministry proposes to encourage translation of standard books and literature on consumer protection in regional languages for being distributed in different parts of the country for the benefit of the consumers. The voluntary consumer organisations while arranging for workshop, camps and other consumer awareness programmes, will be supplied with these books etc. so as to provide the necessary information to the participants on the subject as a part of the publicity campaign on consumer protection. The Ministry is in the process of preparing 10-12 episodes of 30 minutes each on consumer protection in Hindi tentatively slotted for telecast from the month of January, 1997.

(iii) The Ministry is also arranging with DAVP 30 seconds video and audio spots for telecast/broadcast on television and AIR respectively. These will particularly assume to highlight the salient features of consumer protection and consumer awareness regularly through the media.

(iv) The Ministry proposes to set up Consumer Information and Education Centre through the voluntary consumer organisations at selected important centres preferably under the guidance of the reputed voluntary consumer organisations. Necessary Resource materials like books, magazines, video cassettes and information through NICNET on consumer affairs would be available through these centres.

(v) In order to help the consumers in testing the adulterated food articles, the Ministry is helping in the preparation of testing kits to be distributed through voluntary organisations we have requested the Ministry of Health for utilising the Health Test centres for testing food items where ever difficult processes are involved. This would help in creating a mass awareness about the testing of food items for consumption at micro level given by the housewives and ordinary persons.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/19-P&C, dated 30-1-1997]

Recommendation (Para No. 5.12)

Similarly, the pendency problem in consumer courts has acted as an impediment in the implementation of the programme. The Committee hope and trust that with the increased allocation, the consumer movement will be given further momentum and the rights of consumers would be protected.

Reply of the Government

Ministry has proposed an allocation of additional fund of Rs. 25 crores for providing assistance for strengthening the infrastructure of consumer courts which were not covered in the present scheme and also for the courts which have heavy and special problems, in the States/UTs, during the Ninth Plan Period.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/19-P&C, dated 30-1-1997]

Recommendation (Para No. 6.3)

The Committee note that a major portion of budgeted amount are utilised in the last quarter of a financial year. For instance, the percentage utilisation in the last quarter was 44 and 74 in the years 1994-95 and 1995-96, respectively. The Committee in their Sixth and Tenth reports (10th LS) had recommended evenly spreading over of expenditure in all the quarters of financial year. The Government in their action taken note had assured the Committee that efforts would be made to spread expenditure throughout the year and position would be monitored quarterly. In spite of solemn assurance given to the Committee, they are concerned to note that the situation has rather deteriorated. This is an indication of highly lackadaisical attitude of the Ministry in implementing the recommendation of the Committee. The Committee also take strong view that Ministry did not take

adequate steps to monitor the position closely which resulted in non-utilisation of funds as high as 74% till the end of third quarter of the year. The Committee while reiterating their earlier recommendation would now like the Ministry to take firm steps so that similar situation does not recur in future.

Reply of Government

The observations of the Standing Committee on Food and Civil Supplies & Public Distribution have been noted.

2. So far as the Public Distribution Schemes are concerned, funds are released on project basis. In the beginning of the year, State Governments are requested to formulate their projects for financial assistance under the schemes of construction of godowns, purchase of vans, etc. After the proposals are received from the States/UTs, these are examined in the Ministry in consultation with concerned Departments/Organisations like Planning Commission, Ministry of Finance, CPWD, CWC, etc. Thereafter the proposals are placed before Standing Finance Committee of the Ministry and on getting clearance from SFC, funds are sanctioned generally within a fortnight/month to the concerned State Governments/UT Administrations.

It is not always possible to consider all the proposals received during a particular financial year due to lack of funds. Therefore, the backlog of the proposals from previous year are the first to be considered by the SFC generally in the next financial year on receipt of Budget allocation. As the proposals for the current year are generally received later in the year from the States/UTs, a major portion of the funds are sanctioned to the State Governments in the last quarter of the year.

3. As regards financial assistance to Super Bazar and NCCF towards development of Consumer Cooperatives, funds were released during last quarter of the financial year for the reason that the proposal from these institutions were received during that quarter only. These institutions have been asked to submit their proposals for release of financial assistance in the earlier quarter of the financial year to release funds evenly.

4. So far as Consumer Protection is concerned, during the last quarter of 1995-96 the expenditure of Rs. 28.60 lakhs was made against RE of Rs. 31.50 lakhs was mainly on publicity items. The delay was

mainly due to late booking by PAO, DAVP. The Campaign Wing of DAVP normally submits bills after telecasting/broadcasting of audio/video materials, to the PAO, DAVP for settling the claims and intimates to this Ministry. Now, regular meetings are being held with the representatives of Ministry of I&B, DAVP and others to utilise the allocated budget in time.

5. As regards utilisation of funds by the Directorate of Vanaspati, Vegetable Oil and Fats, the only competent authority to accord approval to the R&D proposals including financial sanction is the Science & Technology Advisory Committee (STAC) of the Ministry headed by the Secretary (CA&PD). Funds are released to R&D Schemes as per the decision of the Science and Technology Advisory Committee (STAC) of the Ministry of CS, CA & PD. Secretary (CA&PD) is the Chairman of the STAC. Efforts are being made for spreading-over of expenditure evenly to the extent possible in all the quarters of a year.

In order to ensure that the funds allocated for the purpose are gainfully utilised, efforts have been made through regular monitoring of the progress of work by the Project Implementation Committee, periodical review of the work by the Screening Committee and overall review of the work in its totality by the Science & Technology Advisory Committee of the Ministry.

6. In so far as BIS is concerned, during the year 1994-95, most of the expenditure was incurred during the last quarter because of delay on behalf of suppliers/manufacturers in delivering the equipments to various laboratories. During the year, 1995-96, regular review meetings were organized by the D.G., BIS as a result of which the expenditure incurred in the last quarter was brought down to 50% as compared to 74% incurred during the same period of 1994-95. For the year 1996-97, at the start of the year, quarterwise financial and physical targets have been laid down. The progress of implementation is being monitored monthly at Director level and quarterly at the level of Addl. Director General/Deputy Director General, BIS.

[Ministry of Civil Supplies, Consumer Affairs and Public Distribution OM No. G-11027/17/96-P&C, dated 30-1-1997]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT REPLIES

Recommendation (Para No. 4.7)

“The National Cooperative Consumers’ Federation of India Ltd. (NCCF) was set up in 1965 primarily to provide supply support to the members in particular and other consumer cooperatives in general for distribution of consumer goods. Since 1994-95 when the Central Budgetary Support was withdrawn, the Organisation started incurring losses. The accumulated loss stood at Rs. 38.47 crores at the end of March, 1995. The Committee was informed that necessary steps have been taken in this direction, which has resulted in increased turn-over but sales are yet to be picked up. The Secretary, Civil Supplies was candid in his admission before the Committee that the Organisation has deviated from discharging their main task of helping the State Consumer Federation and Consumer Cooperative Societies. The Committee takes strong objection of it and recommend that the Organisation while discharging their main task should also explore the possibilities of increasing sales turn-over and diversify their activities. The Committee also recommend that Central Govt. should provide budgetary support to NCCF as was being done prior to 1994-95.”

Reply of the Government

The National Cooperative Consumers’ Federation of India Ltd. (NCCF) was originally set-up as the apex level Consumer Cooperative having the State Cooperative Consumers Federations as its affiliated units. Later on during 1965, the membership was broad based to cover the consumer cooperative societies with sales turn-over more than Rs. 10 lakhs. The membership of the NCCF as on 31.3.1995 was 113 which included state federations, central consumer cooperative stores, the three National level cooperative organisations viz. NCUI, NAFED and the National Cooperative Development Corporation besides Govt. of India. Since inception of the NCCF in 1966-67 till 1994-95, Govt.

has been providing share capital assistance and working capital loans to the NCCF. The details of amount provided are as under :—

(i) Share Capital	Rs. 977.74 lakhs
(ii) Working Capital	Rs. 370.00 lakhs
Total	Rs. 1347.74 lakhs

2. The sales of the NCCF had started sliding down from 1986-87 onwards after attaining the peak level of Rs. 158.31 crores during 1985-86. The lowest level of sales was during 1993-94 when it dropped to Rs. 53.21 crores only. The organisation however improved its turnover and earned a small net profit amounting to Rs. 0.54 lakhs during 1995-96 with total sales of Rs. 243.58 crores. The accumulated losses of the organisation as on 31.3.1995 was Rs. 38.47 crores, while the share capital and the reserve fund of the organisation stood at Rs. 13.15 crores as on that date. Thus, there is total erosion of NCCF's own funds. The business operation of the NCCF had therefore, to be undertaken with the help of borrowed capital only.

3. The thrust of the business operation of the NCCF till 1989 was mainly on sale of controlled cloth and confiscated goods offered by the customs authorities. With the withdrawal of the controlled cloth scheme by the Govt. and the easy availability of electronic goods and textiles in the country, the NCCF's business had suffered a big jolt. The affiliated member societies also did not utilise the services of the NCCF in making procurement of pulses and other agricultural commodities which are not produced within the State. The NCCF because of its own financial hardship had to stop credit sales which they were earlier providing liberally to their affiliated societies. The non recovery of the credit sale amount from the State Federations and other affiliated societies also caused problems in mobilisation of funds for the business operations of the NCCF. The State level consumer cooperative federations too are also not financially very strong organisations and their adverse financial position also created problem in undertaking business operations with them by the NCCF. Besides, setting-up of State Civil Supplies Corporations also created competition in so far as state level distribution of consumer articles are concerned. In this situation, the NCCF of India Ltd. had to diversify its activities to sustain itself. It has therefore, taken-up the functions of state agencies in distribution of essential items in some of the States where the State Govts. wanted to entrust this responsibility to the NCCF. Thus of the

sales turnover of Rs. 243.58 crores achieved during 1995-96 by the NCCF, 70% of the sales related to functioning as State Agencies/ supplies to public sector undertakings etc. while 25% of the sales accounted for the sales to the consumer cooperative societies and the balance 5% through others, retailing etc.

4. In order to boost-up the sales of the NCCF during the current financial year, the Deptt. has already sent a formal request to the Deptt. of Food procurement and distribution to utilise the services of the NCCF and the consumer cooperative structure for the open market sale of wheat as a market intervention operation to keep down the open market price of wheat. The monthly total requirement of wheat for this operation to begin with has been worked out as 15,000 tonnes which is only 5% of the average sale of 3 lakh tonnes proposed to be undertaken by the FCI, in the country. With this sale of wheat, it is expected that NCCF would be able to further improve its sales during the current financial year.

5. As regards the recommendation to provide budgetary support to NCCF as was being done prior to 1994-95, this has already been proposed by this Ministry. During the 9th Five Year Plan, this Ministry has proposed an outlay of Rs. 40 crores for strengthening the NCCF including the C&P Cell. The Task Force set-up by the Working Group on Agricultural Credit & Cooperation constituted by the Planning Commission has also supported this proposal. The Working Group on Agricultural Credit and Cooperation for the 9th Five Year Plan has recommended the proposal in their report submitted to the Planning Commission during August, 1996. If the Planning Commission and the Finance Ministry agree to the recommendations of the Working Group on Agricultural Credit and Cooperation for the 9th Five Year Plan, the financial outlays for the NCCF can be included in the budget allocations for this Ministry from the next financial year onwards.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/96-P&C, dated 30-1-1997]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

(Recommendation (Para No. 2.7))

The Committee noted with concern that diversion of foodgrains from fair price shops to open market and the nexus between fair price shops dealers and blackmarketers is rampant in various parts of the country. Though the matters like illegal boarding and diversion of foodgrains from fair price shops into black market is essentially a matter pertaining to the State Government, nevertheless, the role of Central Government cannot be over looked. The Central PDS Advisory Council constituted for the purpose of close coordination between Centre and State Governments for proper implementation of PDS at present meets only twice a year. The Committee, recommended that meetings of Central PDS Advisory Council should be held more frequently for discussing all the problems that arise out of non-availability of foodgrains and the diversion to black market etc. and effective measures be taken to prevent such a menace.

Reply of the Government

For the successful implementation of PDS both the Central Government and State Government are responsible. The Central Government is responsible for procuring the commodities and making them available to the States. The States are responsible for subsequent distribution of these commodities from the Central agencies to the ultimate consumers through the network of fair price shops. Central Government has been from time to time impressing upon the State Governments/UT Administrations the need for strict control and to strengthen PDS by improving infrastructural facilities, the need to set up Vigilance Committees at District/Block/Village levels to ensure delivery of PDS items to the ultimate consumer.

State Government have set up grievance machinery to look after the complaints received by them. As and when Government of India receives any complaint/report, the same is also referred to State Governments for proper investigations.

The Advisory Council on PDS at Central level is being reconstituted to make it more purposeful by including newly elected Members of Parliament, Consumer Activities, noted economists and a representative of Trade Union as recommended by the Review Committee of the International Labour Conference. Besides, the implementation of PDS is also reviewed at the level of States/UTs Food and Civil Supplies Ministers in conferences held from time to time. One such conference was held on 7th August, 1996 at Vigyan Bhavan, in which the restructuring of PDS with focus on the poor and related matters was discussed. Implementation of PDS is also reviewed by Senior Officers of the Ministry during their tours to the various States/UTs. Meetings of State Food & Civil Supplies Secretaries are also held to review the working of the PDS. Reports/complaints received from VIPs including MPs, MLAs, Associations/individuals and Government Organisations/Agencies like Intelligence Bureau are also followed up.

[Ministry of Civil Supplies, Consumer Affairs & Public Distribution
OM No. G-11027/17/96-P&C], dated 30-1-1997]

Comments of the Committee

(Please see Paragraph No. 1.9 of Chapter I of the Report)

Recommendation (Para No. 2.8)

The Committee are of the view that a comprehensive study should be carried out to know the extent of diversion of PDS commodities from FPS to the open market throughout the country and recommends that a Statutory vigilance Agency be constitutes at the Central level for detecting and preventing cases of diversion, illegal hoarding and black marketing of PDS commodities, and to take stringent and deterrent steps to punish the guilty. The Committee also recommend that Central Government should issue directions to the State Government for effective implementation of various Acts like Essential Commodities Act, 1955 etc. and also to monitor the progress made by the States thereunder.

Reply of the Government

Action for carrying out a Comprehensive Study to know the extent of diversion of the PDS Commodities form FPS to open market throughout the country is under consideration of the Ministry. However the Ministry of Petroleum and Natural Gas has already got a study conducted by Tata Economics Consultancy Services (TECS) regarding diversion of Kerosene.

This Ministry has been issuing directions to the state Governments from time to time for effective implementation of various Acts like Essential Commodities Act, 1955 etc. Further, the progress made by the States in the action taken under these Acts is also being monitored on monthly basis.

[Ministry of Civil Supplies, Consumer Affairs and Public Distribution OM No. G-11027/17/96-P&C, dated 30-1-1997]

Comments of the Committee

(Please *see* Paragraph No. 1.12 of Chapter I of the Report)

Recommendation (Para No. 2.19)

The Committee observe that proposals from the various States/UTs for creation of additional storage facilities are pending with the Central Government for want of adequate funds, which is reflected in the poor achievement of 125422 MTs of storage capacity against the total requirement of 413400 MTs. The programme Evaluation Organisation (PEO) of Planning Commission which has conducted a study on RPDS including the programme of storage/construction of godowns had also felt that storage facilities at block level are inadequate and dependency on hired godowns was increasing instead of constructing own godowns in Government Sector etc. The Committee are therefore of the view that the Government should construct their own godowns and if need be godowns may be hired on long term basis and more funds should be made available for construction of godowns within the stipulated period by removing budgetary constraints.

Reply of the Government

Similar observations were made by the Standing Committee while examining the Demand for Grants for 1995-96. While formulating the Annual Plan 96-97. Planning Commission was accordingly approached to provide enhanced allocation to the tune of Rs. 15 crores under the scheme but due to budgetary constraints this was not agreed to. It may be mentioned that during 96-97 the budget estimates were kept at the level of last year, i.e., 95-96 as per direction of the Finance Ministry and a budget provision of Rs. 7.55 crores only could be provided under the scheme.

However, for the 9th Five Year Plan and Annual Plan 97-98 Planning Commission is being pursued to provide suitable outlay for the scheme so that the targetted capacity of 4,30,400 MT could be achieved during the 9th Five year Plan.

[Ministry of Civil Supplies, Consumer Affairs and Public Distribution OM No. G-11027/17/96-P&C, dated 30-1-1997]

Comments of the Committee

(Please see Paragraph No. 1.15 of Chapter I of the Report)

Recommendation (Para No. 2.38)

The Committee are of the view that there has been wide disparities in respect of quantum of allocation of kerosene amongst various State Governments/UTs. The Committee is aghast to find that some States/UTs which are smaller are getting large quantum of kerosene disproportionate to their population level, whereas, certain bigger States are getting very less quantum of kerosene far below the national average. The Committee feel that the present allocation which is made on historical basis, is unrealistic and therefore, does not reflect the changing/needs/demands of the States/UTs. The Committee, therefore, recommend that suitable guidelines should be formulated for rational and equitable allocation of kerosene among States/UTs and to review the allocation periodically keeping in view the change in population levels and other factors.

Reply of the Government

SKO is an allocated product and allocation is being made to the States/Union Territories on historical basis based on the past consumption. Almost 40% of the SKO is imported. Till the year 1992-93, no increases were given because of the high subsidies involved, lack of foreign exchange and shortages due to the Gulf Crisis. However, with effect from 1993-94 onwards, a 3% increase has been given in the annual allocation to all the States/Union Territories based on the principle that a higher growth has to be given to the States which are below the national average and vice-versa. However, on repeated requests from the State Government for increase in the allocation and to decrease disparity between the States, a more practical solution has been evolved for the year 1997-98. For the year 1997-98, the principle followed is the same as in the previous year. However, when calculating the increase, the disparity between the highest State and

the concerned State has been taken into account to reduce the gap. It is expected that in a short time, the wide disparities of allocation among the States would be considerably reduced.

[Ministry of Civil Supplies, Consumer Affairs and Public Distribution OM No. G-11027/17/96-P&C, dated 30-1-1997]

Comments of the Committee

(Please see Paragraph No. 1.18 of Chapter I of the Report)

Recommendation (Para No. 5.11)

Due to increased awareness among the Consumers, the number of cases filed in the National Consumer Disputes Redressal Commission (NCDRC) have increased and as now 2600 cases are pending for disposal. The Committee fully agree that there is a need to increase the benches of the National Consumer Disputes Redressal Commission (NCDRC). To reduce the pendency of the cases in the courts, more regional sittings should be planned to dispose of the cases of the regions. The Committee also appreciate the measure being taken in this connection. However, if possible some more measures may also be taken in this regard.

Reply of the Government

The observation of the Committee has been brought to the notice of the President, National Commission (NCDRC). He has been requested to plan for more regional sittings and also to suggest other measures for reducing the pendency in cases.

[Ministry of Civil Supplies, Consumer Affairs and Public Distribution OM No. G-11027/17/96-P&C, dated 30-1-1997]

Comments of the Committee

(Please see Paragraph No. 1.21 of Chapter I of the Report)

CHAPTER V

RECOMMENDATION/OBSERVATION IN RESPECT OF WHICH REPLY OF GOVERNMENT IS STILL AWAITED

Recommendation (Para No. 3.12)

The Committee are concerned to note that HVOC is continuously incurring cash losses since 1991-92. Only Calcutta and Bombay units have started earning profits very recently. The major reason for loss in HVOC *inter-alia* includes non-availability of Sales Tax exemption, use of obsolete technology and excess manpower. The various proposals for revival and revamping could not be materialised. The Ministry of Finance has suggested privatisation or winding up and advised the Ministry of Civil Supplies for referring the organisation to BIFR. However, HVOC approached ICICI for bridge loan whose decision is still awaited. The Committee strongly recommend that the Department of Civil Supplies should vigorously pursue the matter for modernisation of HVOC in a fixed time frame, failing which the recommendation of Finance Ministry with regard to privatisation or winding up of the Organisation be accepted.

Action Taken

The HVOC in consultation with the Department of Civil Supplies has submitted a partial modernisation/revival plan in respect of Kanpur and Amritsar Units of HVOC to ICICI on 25.9.96 for appraisal. Comments of ICICI are awaited.

The matter is being pursued with ICICI so that the appraisal of HVOC's modernisation plan may be made at the earliest.

[Ministry of Civil Supplies, Consumer Affairs and Public
Distribution OM No. G-11027/17/19-P&C, dated 30-1-1997]

NEW DELHI;
March 17, 1997
Phalguna 26, 1918 (Saka)

R. L. BHATIA,
Chairman,
Standing Committee on Food, Civil
Supplies and Public Distribution.

APPENDIX-I

MINUTES OF THE SITTING OF THE COMMITTEE HELD ON 17TH MARCH, 1997

The Committee sat from 15.00 hrs. to 16.00 hrs. on 17th March, 1997.

PRESENT

Shri R.L. Bhatia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Shyam Bihari Misra
3. Shri Raj Keshar Singh
4. Shri Nakli Singh
5. Shri Bachi Singh Rawat
6. Shri Vidya Sagar Sonkar
7. Shri Manikrao H. Gavit
8. Smt. Chhabila Netam
9. Shri Virendra Kumar Singh
10. Shri Syed Masudal Hossain
11. Smt. Sandhya Bouri
12. Shri Ramashray Prasad Singh

Rajya Sabha

13. Shri Onward L. Nongtdu
14. Shri Tara Charan Majumdar
15. Shri Ram Ratan Ram
16. Shri Manohar Kant Dhyani

Secretariat

- | | | |
|-------------------------|---|---------------------------|
| 1. Smt. Roli Srivastava | — | <i>Joint Secretary</i> |
| 2. Shri Krishan Lal | — | <i>Deputy Secretary</i> |
| 3. Shri R.S. Kambo | — | <i>Under Secretary</i> |
| 4. Shri O.P. Arora | — | <i>Assistant Director</i> |

I. Consideration and adoption of Draft Third Report.

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II. Consideration and adoption of Draft Fourth Report.

3. The Committee then considered the draft Fourth Report on Action Taken by the Government on the recommendations contained in their Second Report on Demands for Grants (1996-97) relating to Ministry of Civil Supplies, Consumer Affairs & Public Distribution and adopted the report without any amendment.

4. The Committee there authorised the Chairman to make consequential changes arising out of the factual verification of the reports by the concerned Ministries and present/lay the same in both the Houses of Parliament.

5. The Committee also decided to hold the sittings of the Committee on 1st and 2nd April, 1997 to Consider the Demands for Grants (1997-98) relating to Ministry of Food and Ministry of Civil Supplies, Consumer Affairs & Public Distribution.

The Committee then adjourned.

** Not related to this Report.

APPENDIX II

(Vide Introduction of the Report)

Analysis of Action Taken by the Government on the recommendations contained in the Second Report of Standing Committee on Food, Civil Supplies and Public Distribution (Eleventh Lok Sabha).

(I) Total Number of Recommendations	16
(II) Recommendations/Observations which have been accepted by the Government. Para Nos. 2.9, 2.18, 2.28, 2.35, 2.43, 5.9, 5.10, 5.12 and 6.3	
Total	9
Percentage	56.25
(III) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply Para No. 4.7	
Total	1
Percentage	6.25
(IV) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee. Para Nos. 2.7, 2.8, 2.19, 2.38 and 5.11	
Total	5
Percentage	31.25
(V) Recommendations/Observations in respect of which final reply of the Government is still awaited. Para No. 3.12	
Total	1
Percentage	6.25